Approved For Release 2001/07/24 : CIA-RDP57-00042A000100030012-2

Management Officer
Info. Original
sent DD S&C 1 July

Executive

Chief, Inspection and Security Staff

Progress Report, Inventory of Covert Property

1. As directed in the Executive's memorandum dated 15 October 1949, Inspection and Security Staff, represented by the Audit and Inspection Divisions, assumed general supervision of the inventory made of covert property which will be taken up on accountability by the Procurement and Supply Division of the Special Support Staff.

2. Prior to the actual start of the inventory, meetings were held with members of the Special Support Staff and a procedure for taking and recording the inventory was prepared. The actual taking of the inventory was started on 29 November 1949, at both [redacted]. In taking the inventory each item was checked to insure that it would be given the correct nomenclature; was classified as to whether it was new, used, repairable or obsolete and was marked for surplus disposal if excess or unserviceable to the needs of the Agency. An actual count of each item was made and entered on the inventory slips. 25X1A6d

3. A representative of the Inspection Division made frequent visits to the warehouses and observed the inventory operations. Problems that arose were discussed with the personnel on the job and with supervisors from the Special Support Staff. As a result of these observations several minor changes were made which it was believed would increase the efficiency of the operation. Some changes in the paper work was suggested by the Audit Division and were adopted.

4. Some time was lost during the initial stages due to organizational problems, and considerable time was lost due to the absence of personnel and the necessity for processing emergency requisitions. Problems such as housekeeping and disposal of surplus property arose but were solved satisfactorily. The inventory of Signal Supply, Account #1, was completed in 55 working days which appeared to be satisfactory. The inventory teams appeared to be very conscientious and it is believed that the new inventory count is as accurate and complete as it was possible to make it under the existing conditions. Code numbers in many instances were corrected. Balances in accounts were corrected and items were given as full and accurate nomenclature as possible. It has been found, however, that stock cards in some instances still retain ambiguous nomenclature and there are also instances in which the items are carried under two different names. Some of this is possibly due to the fact that two different crews were working at the same time in the two warehouses. Much of the equipment was repackaged and sealed in new cartons and properly identified. It is the opinion of [redacted] that the taking of the inventory count was well handled and that when the inventory is properly recorded and proper procedures set up for the receipt and issuance of property the difficulties which have arisen in the past will be eliminated.

Document No. 005
NO CHANGE in Class. ☐ Declassified
Class. Changed To: TS S
Auth: HR 70-2
Date: 08-22-2011
REVIEWED

Approved For Release 2001/07/24 : CIA-RDP57-00042A0[redacted]00100032-2

5. Subsequent to the actual taking of the inventory, both the new and old inventory were punched on IBM cards and the cards for the old and new inventories were collated. An interim reconciliation of the inventory was then conducted which resulted in the following values: new inventory-

25X1A

[redacted]

6. A physical inventory was also made of operational supply, Account #4 and this account is presently being audited to insure correct nomenclature and correct stock number. The count of Account #4 disclosed a shortage of 72 cigarette lighters and one hand press. When the account has been completely audited, it will be set up on IBM cards as a permanent running inventory. The plans are to handle Account #1 in the same manner.

7. A proposal has been made that the inventory be taken in cycles, a portion being processed each month. Another proposal is that the inventory be taken annually, with a complete pre-inventory audit being made prior to the taking of the actual count. It has been suggested that this pre-inventory audit could be started on 1 November 1950 and be completed by 1 January 1951; that the actual inventory could be started on 1 January 1951 and be completed by 1 February 1951. It is stated that this plan would cause the least interference with the normal operations of the Warehouse.

8. In view of the completion of the inventory, which was the subject of your directive to this Staff, it is believed that this Staff should not continue to review future inventories unless you have reason to desire same or will so direct.

/s/

SHERFIELD MORRIS
Colonel, GSC
Chief, Inspection and Security Staff